

**Division of Health Planning and Resource Development, Thurman
May 2004**

CON Review: MU-A-0304-011

OMRI, Inc.

Amendment to CON #R-0541 (Provision of Mobile MRI Services) Reversion of Three Mobile MRI Sites

Effective Date: March 28, 2002

Expiration Date: March 28, 2003

Approved Capital Expenditure: \$ 889,140

Additional Capital Expenditure: \$ -0-

Total Capital Expenditure: \$ 889,140

Location: Ocean Springs, Pascagoula, and Lucedale

Staff Analysis

I. PROJECT SUMMARY

A. Applicant Information

OMRI, Inc., is a for-profit corporation formerly known as Open MRI, Inc., and USA Diagnostics, Inc. of Pensacola, Florida. OMRI, Inc., is authorized to do business in the state of Mississippi and is currently governed by four corporate officers.

B. Project Background

Open MRI, Inc., was granted a Certificate of Need (CON) #R-0214, effective August 28, 1997, in order to provide mobile MRI services at Gulfport, Mississippi. On March 10, 1999, an agreement between the Mississippi State Department of Health and Open MRI, Inc., allowed Open MRI, Inc., an additional site-specific location of Bienville Orthopaedic Specialists in Ocean Springs, Mississippi, and subsequently Open MRI, Inc., was allowed to add Lucedale, Mississippi. Two mobile sites located in Gulfport and Biloxi were subsequently converted to fixed sites pursuant to a Determination of Non-Reviewability.

On March 28, 2002, OMRI, Inc., was granted CON #R-0541 in order to provide mobile MRI services at Hardy Wilson Memorial Hospital, Laurel Bone & Joint, Marion General Hospital, and Prentiss Regional Medical Center.

On February 6, 2004, the Department received a Notice of Intent to Change Ownership of two fixed sites operated by OMRI, Inc. d/b/a Open MRI, Inc., to Open MRI, LLC. The three remaining mobile MRI sites will revert to OMRI, Inc., subject to approval of this amendment application.

C. Project Description

The proposed amendment is requesting to have the three mobile MRI sites (Ocean Springs, Pascagoula, and Lucedale) revert to CON #R-0541 from the current CON #R-0214. OMRI will continue to offer the same exact mobile MRI services which are currently provided on the Gulf Coast, namely in Pascagoula, Ocean Springs, and Lucedale, Mississippi. The files contain an agreement between the Mississippi State Department of Health and OMRI, Inc., allowing OMRI, Inc., to provide the MRI services to the site-specific locations. There will be no additional capital expenditure associated with the proposed project and the project does not require any additional personnel. Also, there will be no effect on Medicaid patients, Medicare patients, or other payers. This project will be implemented upon MSDH's approval.

II. Type of Review Required

This amendment to CON #R-0541 is being reviewed in accordance with Section 41-7-191, subparagraph (1)(i), Mississippi Code of 1972, amended.

In accordance with Section 41-7-197(2) of the Mississippi Code of 1972 Annotated, as amended, any affected person may request a public hearing on this project within 20 days of publication of the staff analysis. The opportunity to request a hearing expires June 3, 2004.

III. CONFORMANCE WITH THE STATE HEALTH PLAN AND OTHER ADOPTED CRITERIA AND STANDARDS

A. State Health Plan

The original application was in substantial compliance with the 2001 State Health Plan in effect at the time the application was received. The project continues to be in substantial compliance with applicable criteria and standards.

The proposed amendment does not increase the originally approved capital expenditure, and does not change the overall objectives of the original project. OMRI will continue offering MRI services to Pascagoula, Ocean Springs, and Lucedale, Mississippi as well as Hardy Wilson Memorial Hospital, Laurel Bone & Joint, Marion General Hospital and Prentiss Regional Medical Center. This project will be implemented upon MSDH's approval.

B. General Review (GR) Criteria

The original application was in substantial compliance with the general review criteria contained in the Mississippi Certificate of Need Review Manual, 2000.

The proposed project is in substantial compliance with Chapter 8 of the Mississippi Certificate of Need Review Manual, revised 2000, and does not change the overall objectives of the original project.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

There will be no capital expenditure incurred as a result of this amendment.

B. Method of Financing

No financing is required for this amendment.

C. Effect on Operating Cost

There will be no significant change in the revenue generated or the costs incurred as a result of this project.

D. Cost to Medicaid/Medicare

The impact of this project on third party payors is expected to remain the same with little or no effect.

V. RECOMMENDATION OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided a copy of this application for comment. Outpatient services are paid as outlined in the State Plan; therefore, the Division of Medicaid took no position on the project.

VI. CONCLUSION AND RECOMMENDATION

The original application was found to be in substantial compliance with criteria and standards as contained in the State Health Plan; Certificate of Need Review Manual; and all adopted rules, procedures, and plans of the Mississippi State Department of Health in effect at the time of approval.

The amendment does not change the scope of the original project and the mobile MRI services will remain in compliance with all applicable standards and criteria.

The Division of Health Planning and Resource Development recommends ***approval*** of this application submitted by OMRI, Inc.